

**Introduced by Committee on Public Employment and Retirement  
(Senators Correa (Chair), Ashburn, Corbett, Cox, Ducheny, and  
Liu)**

March 2, 2010

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An act to amend Sections 31527 and 31582 of, and to add Section 31618.5 to, the Government Code, relating to public employment.

LEGISLATIVE COUNSEL'S DIGEST

SB 1479, as introduced, Committee on Public Employment and Retirement. Public employment: retirement benefits: administration.

(1) The County Employees Retirement Law of 1937 (CERL) establishes retirement boards for the administration of benefits authorized under that law and authorizes the board to include specified provisions, by regulation, with respect to the administration of benefits, including the determination of when a person entering county employ becomes a member of the association. Under existing law, the board may provide that a person entering county employ, on a day other than the first calendar day, becomes a member of the association on a day that occurs no later than 6 weeks after the day that person enters county employ.

This bill would authorize the establishment of the day that a person, who enters county employ on a day other than the first day of the calendar month, becomes a member of the association on a day that occurs no later than 12 weeks after the day that person enters county employ. This bill would also provide for the establishment of the day upon which a member terminates service credited by the association as a day that occurs no earlier than 12 weeks prior to the member's termination from service.

(2) Under the CERL, employer contributions on behalf of members are based on the total compensation earnable by each member. Existing law authorizes a county auditor to make advance payments of all or part of the county's estimated annual contributions to the retirement fund, as provided.

This bill would also authorize specified districts to make advance payments of all or part of the district's estimated annual contributions to the retirement fund, as provided.

(3) The CERL authorizes the establishment of a Supplemental Retiree Benefits Reserve to cover costs for specified retiree benefits.

This bill would authorize a specified county employee association to transfer funds, on an annual basis, from its administrative budget to fund the administrative costs of the programs reimbursed by the Supplemental Retiree Benefits Reserve in a manner that is in compliance with procedures established by the Internal Revenue Service.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 31527 of the Government Code is
- 2 amended to read:
- 3 31527. In its regulations, the board may include the following
- 4 provisions:
- 5 (a) From what warrants deductions of members' contributions
- 6 shall be made.
- 7 (b) For a period of time longer than one year during which a
- 8 member may redeposit in ~~the~~ the retirement fund an amount equal
- 9 to all of the accumulated normal contributions which he *or she*
- 10 has withdrawn, plus regular interest thereon from the date of return
- 11 to service.
- 12 (c) For a period of time longer than one year during which a
- 13 member brought within the field of membership may pay into the
- 14 retirement fund the amount equal to the contributions he *or she*
- 15 would have made plus interest, if he *or she* had been a member
- 16 from the date of its organization, or from the date of his entrance
- 17 into county service, whichever is later.
- 18 (d) For a withdrawal charge against a member who withdraws
- 19 his *or her* accumulated contributions. The withdrawal charge shall

1 not exceed the interest credited to the member subsequent to the  
2 effective date of the regulation.

3 (e) For the exemption or exclusion from membership as a peace  
4 officer member or as a safety member or from membership  
5 altogether, in the discretion of the board, of persons whose tenure  
6 is temporary, seasonal, intermittent, or for part time only, or  
7 persons whose rate of compensation is less than eighty dollars  
8 (\$80) a month, or persons whose compensation is fixed at a rate  
9 by the day or hour.

10 (f) For the periodic physical examination, at county expense of  
11 safety members.

12 (g) The amount of additional deductions from the salaries or  
13 wages of members pursuant to Article 15.5 or 16. Such a provision  
14 may be adopted in anticipation of, and prior to Article 15.5 or 16  
15 becoming operative in the particular county.

16 (h) The day upon which each person entering the county employ  
17 becomes a member of the association if it is to be other than the  
18 first day of the calendar month after his *or her* entrance into the  
19 service, provided that ~~said~~ day shall be no later than ~~six~~ 12 weeks  
20 after his *or her* entrance into the service, *or the day upon which*  
21 *the member terminates service credited by the association,*  
22 *provided that the day shall be no earlier than 12 weeks prior to*  
23 *the member's termination from service.*

24 SEC. 2. Section 31582 of the Government Code is amended  
25 to read:

26 31582. (a) The county auditor shall certify to the board at the  
27 end of each month or at the end of each pay period the  
28 compensation earnable, as defined in Section 31461, paid to all  
29 safety members of the retirement association covered by Article  
30 7.5 (commencing with Section 31662) and the compensation  
31 earnable, as defined in Section 31461, paid to all other members  
32 of the retirement association, and the auditor shall thereupon  
33 transfer from the appropriation to the retirement fund the  
34 percentage of this amount determined pursuant to Sections 31453,  
35 31453.5 and 31454. Until that determination, the amount of the  
36 transfer shall be 23.77 percent of the compensation earnable, as  
37 defined in Section 31461, paid to all safety members covered by  
38 Article 7.5 (commencing with Section 31662) and 8.85 percent of  
39 the compensation earnable, as defined in Section 31461, paid to  
40 all other members.

(b) The board of supervisors may authorize the county auditor to make an advance payment of all or part of the county's estimated annual contribution to the retirement fund, provided that the payment is made within 30 days after the commencement of the county's fiscal year. If the advance is only a partial payment of the county's estimated annual contribution, transfers from the appropriation to the retirement fund shall be made at the end of each month or at the end of each pay period until the total amount estimated for the year is contributed. This amount shall be adjusted at the end of the fiscal year to reflect the actual contribution required for that year.

*(c) (1) A district subject to Section 31585 may also authorize an advance payment of all or part of the district's estimated annual contribution to the retirement fund, provided that the payment is made within 30 days after the commencement of the district's fiscal year. If the advance is only a partial payment of the district's estimated annual contribution, payments to the retirement fund shall be made at the end of each month or at the end of each pay period until the total amount estimated for the year is contributed. This amount shall be adjusted at the end of the fiscal year to reflect the actual contribution required for that year.*

*(2) This subdivision shall only apply to a district that is part of a retirement system in a county of the seventh class, as described in Section 28020.*

SEC. 3. Section 31618.5 is added to the Government Code, to read:

31618.5. (a) The board shall annually transfer, from the administrative budget established pursuant to Article 5 (commencing with Section 31580), an amount sufficient to fund the administrative costs of the programs reimbursed by the Supplemental Benefits Reserve.

(b) This section shall only apply to a county of the fourth class as described in Section 28020.